

## REMARKS

This is intended as a full and complete response to the Final Office Action dated July 2, 2007, having a shortened statutory period for response set to expire on October 2, 2007. Claims 30 - 33 have been cancelled by Applicant. Claims 1-29 were examined. The Examiner rejected claims 1-6 under 35 USC § 103(a) as being unpatentable over Ryan (US Patent 6,374,036) in view of Fukushima (US Patent 6,388,638). The Examiner rejected claims 7-14 and 20-33 under 35 USC § 102(b) as being anticipated by Ryan. The Examiner rejected claims 15-19 under 35 USC § 103(a) as being unpatentable over Ryan and in view of Rhodes (US Patent 5,432,900).

### **Rejections under 35 U.S.C. §102(b)**

Claim 7, as amended recites the limitations of protecting digital content by detecting tags in a data stream and associating the detected tags with commands for altering image content, where the image content is a portion of the digital content visible to a viewer, and the alterations of the image content are not visually perceptible for real-time display but are visually perceptible in a recorded version thereof. Ryan neither teaches nor suggests these limitations.

Ryan discloses a device for protecting digital content that allows one-time recording and prohibits subsequent recordings by performing the following steps. First, in column 5, lines 64-67, Ryan detects a tag in a data stream (a "field marker" with a certain "attribute" value). Next, in column 6, lines 1-7, Ryan compares the attribute value of the field marker with the value decoded from a watermark contained in the data stream. If, in column 6, lines 7-12, the device determines that the values are substantially equal, the recording is allowed to continue; otherwise, the recording is disabled. If the recording is allowed to continue, the device alters the field markers, so that when a subsequent recording is attempted, the attribute value of the field marker will be different from the value decoded from the watermark and the recording will be disabled. Importantly, Ryan clearly teaches in column 3, lines 59-63 and column 7, lines 40-43 that "the field marker is typically inserted in the invisible portion of the active video, i.e. with regard to television sets in the overscan region." Thus, Ryan teaches

altering the portion of digital content that is not visible to the viewers. Therefore, Ryan's approach does not alter image data recited in amended claim 7.

By contrast, as recited in amended claim 7, the claimed detected tags are associated with commands for altering image content. Specifically, claim 7 has been amended to reflect that image content is a portion of the digital content visible to a viewer. For example, altering image content may include "adding an object, such as a text message or a character" to a scene or removing a part of the scene (see paragraph [0032] of the specification). The claimed approach is therefore fundamentally distinct from Ryan.

As the foregoing shows, Ryan fails to teach or suggest each and every limitation of claim 7 and therefore cannot anticipate this claim. For this reason, Applicant respectfully submits that claim 7 is in condition for allowance and requests that the 102(b) rejection be withdrawn. Claims 8-14 and 20-29 depend from allowable claim 7 and therefore are also in condition for allowance.

### **Rejections under 35 U.S.C. §103(a)**

Claim 1, as amended, recites the limitation of altering image content, where the image content is a portion of the digital content visible to a viewer, and the alterations of the digital content are not visually perceptible for real-time display but, instead, are visually perceptible in a recorded version of the content. None of the cited references teaches or suggests this limitation.

As set forth in Figures 10A-B and 11A-B as well as in paragraphs [0055] and [0056] of the present application, digital content may be viewed both in real-time and as recorded. In real-time, the digital content appears to viewers to be un-altered (as shown in Figure 10A, for example) such that the viewing experience is not impacted. However, when viewing a recorded version of the content, the digital content appears with alterations that ruin the viewing experience. For example, the digital content may include additional images (as shown in Figure 10B and described in paragraph [0055] of the specification), may have a changed image resolution (see paragraph [0050] of the specification), or may have a changed refresh rate (see paragraph [0045] of the specification). Importantly, while unauthorized recording is allowed to continue, the

alterations of the digital content are visually perceptible in the unauthorized recorded copy. Thus, the present applications allows the digital content to be displayed to viewers in real-time without impacting the viewing experience, while significantly degrading the viewing experience when viewing an unauthorized copy of the digital content (see paragraph [0047] of the specification). Amended claim 1 clearly recites the way the tags alter the perception of the recorded version of the content, but not the real-time version of the content.

By contrast, when Ryan determines that the recording of the digital content is unauthorized, the “recording is disabled” (column 6, lines 9-12). Thus, alterations of the digital content that are visually perceptible in a recorded version of the content are not taught or suggested by the approach disclosed in Ryan. Rather, in Ryan the recorded version simply will not exist after the unauthorized recording is disabled. The Examiner points out that Ryan discloses recording of the digital content if the recording is authorized or matched to digital video carrying the field markers and watermarks. Applicant respectfully submits that the authorized recording disclosed in Ryan does not include alterations to the image content visible to a viewer where the alterations are not visually perceptible for real-time display but are visually perceptible in the recorder version, as now clarified in amended claim 1.

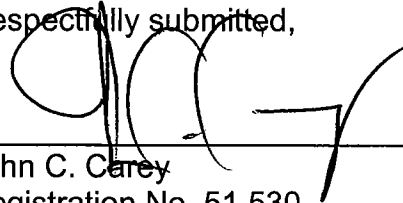
Fukushima does not teach or suggest this limitation either. Therefore, no combination of the cited references can render amended claim 1 obvious. For these reasons, Applicant respectfully submits that amended claim 1 is patentable over the cited references and requests allowance of the claim. Claims 2-6 are dependent from allowable amended claim 1 and, therefore, are also in condition for allowance.

Furthermore, claims 15-19 are dependent from allowable amended claim 7. As set forth above, Ryan does not teach or suggest each and every limitation of amended claim 7. Further, reference Rhodes fails to cure the deficiencies of Ryan. For this reason, no combination of the cited references can render claims 15-19 obvious.

**CONCLUSION**

Based on the above remarks, Applicants believe that they have overcome all of the objections and rejections set forth in the Final Office Action dated July 2, 2007, having a shortened statutory period for response set to expire on October 2, 2007, and that the pending claims are in condition for allowance. If the Examiner has any questions, please contact the Applicant's undersigned representative at the number provided below.

Respectfully submitted,



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